



U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT  
WASHINGTON, D.C. 20410-9000

THE GOVERNMENT NATIONAL  
MORTGAGE ASSOCIATION

March 2, 1999

99-08

MEMORANDUM FOR: All Participants in Ginnie Mae Programs

FROM: George S. Anderson, Executive Vice President

SUBJECT: Release of GinnieNET 2020, Version 5.2

Ginnie Mae is pleased to announce the release of GinnieNET 2020, Version 5.2 ("GinnieNET 5.2"). GinnieNET 5.2 provides issuers and document custodians with several new processing features, expanding the use of GinnieNET to other than pool processing. By leveraging GinnieNET's existing electronic signature technology, Ginnie Mae has expanded the functionality of GinnieNET to include electronic reporting. This will enable both Ginnie Mae and its industry partners to further streamline their processes, thus obtaining greater efficiencies. The GinnieNET 5.2 software will be provided to all issuers and their designated document custodians that have outstanding servicing portfolios and/or are actively issuing new pools, upon completing the GinnieNET training on the new software and having an executed Electronic Data Interchange System Agreement on file with the Pool Processing Agent ("PPA").

GinnieNET 5.2 provides issuers and document custodians the ability to submit the following information electronically:

- Evidence of Pool Final Certifications and Recertifications;
- Forms HUD 11714, Issuer's Monthly Remittance Advice and 11714-SN, Issuer's Monthly Serial Note Remittance Advice;
- Form HUD 11710-D, Issuer's Monthly Summary Report;
- Form HUD 11708, Request for Release of Documents;
- Quarterly Certification for Custodial Accounts; and
- RPB Corrections.

In addition to the enhancements identified above, GinnieNET 5.2 will accommodate new pool issuances that meet Ginnie Mae's recently announced lower minimum number of loans and dollar amount criteria for single family pools. Furthermore, this release includes the addition of the Mortgage Electronic Registration Systems, Inc. ("MERS") as Original Mortgagee ("MOM") indicator for MERS loans to the Schedule of Pooled Mortgages. The Mortgage Identification Number ("MIN") was included in the release of GinnieNET 2020, Version 5.1.

Unless otherwise noted below, Ginnie Mae is not mandating that issuers and document custodians use the enhancements provided in this release. However, Ginnie Mae will be announcing other mandates at a later date. The following provides additional information on each enhancement.

### **Reporting**

**Final Certifications** - In order to electronically final certify a pool through GinnieNET 5.2, the pool must have been issued on or after May 1, 1998, and initially certified through GinnieNET. The pool must not have been transferred prior to final certification, except for an immediate issuance transfer transaction where the pool is transferred immediately after the pool is issued. The document custodian must retrieve the Schedule of Pooled Mortgages from the GinnieNET network, complete the final certification and electronically submit the pool back to the network. The issuer and document custodian are required to maintain a copy of the Schedule of Pooled Mortgages with the completed final certification.

**Recertifications** - Recertifications submitted using GinnieNET 5.2 will be submitted at a pool level. Ginnie Mae will no longer require the submission of the Schedule of Pooled Mortgages to Ginnie Mae's PPA for pools recertified through GinnieNET 5.2. However, the issuer and document custodian must continue to maintain a copy of the recertification, including the Schedule of Pooled Mortgages with the completed certification.

**Form's HUD 11714 and 11714 SN** - Forms HUD 11714 and 11714-SN ("HUD 11714") for Ginnie Mae I pools can be transmitted through GinnieNET 5.2. Issuers that are currently submitting this information electronically to the Depository Trust Company ("DTC"), in the nominee name "MBSCC & Co.", should continue to do so at this time. **However, issuers that currently submit this information manually to DTC will be required to submit HUD 11714s using GinnieNET 5.2 by August 1, 1999.** Issuers will transmit the HUD 11714 information on GinnieNET 5.2 and Ginnie Mae's PPA will

forward the electronic HUD 11714 to DTC. **Furthermore, effective July 1, 2000, all issuers will be required to submit their HUD 11714 information for all Ginnie Mae I security holders using GinnieNET 5.2 to the PPA by the 8th business day of the month.** After July 1, 2000, issuers will no longer submit HUD 11714 information to DTC. Issuers will continue to be required to provide HUD 11714 information to all security holders other than DTC. Please note that for securities held in depository form, it is very important that the security holder on the HUD 11714 reflect the name MBSCC & Co.

**Form HUD 11710-D** - The initial and any revised form HUD 11710-D ("HUD 11710-D") can be transmitted through GinnieNET 5.2. Currently, issuers are required to mail the original HUD 11710-D to the Ginnie Mae Report Group. Issuers will no longer be required to mail an original HUD 11710-D to the Ginnie Mae Report Group if it has been transmitted through GinnieNET 5.2. Any supplemental reports or explanations currently submitted in paper form are to be retained by the issuer for review by Ginnie Mae or its agents. **Effective August 1, 1999, all issuers will be required to submit the HUD 11710-D electronically using GinnieNET 5.2.**

**Form HUD 11708** - An executed form HUD 11708 ("HUD 11708") can be transmitted through GinnieNET 5.2 to the issuer's document custodian. Currently, issuers are required to prepare and deliver the HUD 11708s to the document custodian for processing. Issuers will no longer be required to provide a paper HUD 11708 to the document custodian if the form is transmitted through GinnieNET 5.2. The document custodian will be able to process a document release request upon receipt of the HUD 11708 via GinnieNET 5.2. The document custodian will continue to be required to maintain the HUD 11708s. HUD 11708s transmitted via GinnieNET must either be maintained in electronic format or printed and placed in the appropriate custodial file. If the HUD 11708s are maintained electronically, the document custodian must be able to reproduce printed HUD 11708s if required by Ginnie Mae.

**Quarterly Certification** - Quarterly Certification for custodial accounts can be transmitted through GinnieNET 5.2. Currently, issuers are required to mail an original Quarterly Certification to the Ginnie Mae Report Group. Issuers will no longer be required to mail the original Quarterly Certification with a copy of the funds custodian's rating report on which the certification is based, if the Quarterly Certification has been transmitted through GinnieNET 5.2.

**RPB Corrections** - RPB Corrections can be transmitted through GinnieNET 5.2. Currently, if an issuer determines that it reported incorrect remaining principal balances ("RPBs") prior to the fifth business day of the month, the issuer calls in corrected RPBs. Issuers now have the option to either call in the corrected balances as they do today, or submit the corrected balances electronically through GinnieNET 5.2 by the fifth business day. **Effective August 1, 1999, all issuers will be required to submit RPB corrections electronically using GinnieNET 5.2.** If an issuer finds it necessary to report corrected balances on their entire portfolio (100 or more pools) the issuer must follow the instructions in Chapter 19-8 of the Ginnie Mae I Guide and Chapter 11-7 of the Ginnie Mae II Guide.

### Pooling

**Minimum Number of Loans and Dollar Amount for Single Family Pools** - Issuer can transmit through GinnieNET 5.2 pools with a minimum of three loans for single family pools. The minimum dollar amount of the pool will vary between \$1 million and \$250,000 depending on the pool type and program. Issuers can also transmit pools with one loan and an issued amount of \$25,000 or greater, provided the pool is issued in connection with a state or local housing bond program. Issuers must provide an electronic certification for any pool that is issued in connection with a state or local housing bond program, and the pool has less than three loans or the dollar amount of the pool is less than the established minimum single family pool size.

Note: Issuers that are currently using GinnieNET Version 5.1 can only submit pools electronically with a minimum of eight loans. Furthermore, pools issued in connection with a state or local housing bond program and issued using GinnieNET Version 5.1 must have a minimum of five loans, a minimum dollar amount of \$500,000, or if the pool is the final issue it must have a minimum of three loans and a minimum dollar amount of \$250,000.

### MERS

**MOM Indicator** - In order to assist issuers and their document custodians, the MOM indicator has been added to the Schedule of Pooled Mortgages. Issuers currently have the option of providing the MIN. They will now have the option of indicating whether the loan is or is not a MOM loan. This will assist the document custodian in determining if the agency assignment or other interim assignments are required and what note endorsements are required.

## Training

Dates and locations for GinnieNET 5.2 training are provided below. To schedule GinnieNET training, please call the GinnieNET Hotline at 1-800-234-GNMA.

<u>Date</u>	<u>Location</u>
March 4 and 5	Washington, DC
March 15 and 16	Atlanta, GA
March 22 and 23	Los Angeles, CA
March 29 and 30	Washington, DC
April 6 and 7	Washington, DC
April 12 and 13	Chicago, IL
April 22	Washington, DC
April 26 and 27	Houston, TX
May 3 and 4	San Juan, PR
May 10 and 11	Washington, DC

GinnieNET 5.2 has been designed to work with Windows™ 3.11 or Windows™ 95. You will need 32 megs of RAM to use GinnieNET 5.2. If you previously received GinnieNET on CD ROM, you will receive this update on CD ROM. If you would like to receive GinnieNET 5.2 on CD ROM, please contact Ginnie Mae's GinnieNET Customer Service at 1-800-234-GNMA.

For those issuers that have not previously executed an Electronic Data Interchange ("EDI") System Agreement and the Authorized Signatories forms, they and their document custodian(s), as appropriate, must submit the attached enrollment forms. If an issuer will be submitting pools or loan packages or submitting final certification and recertifications through GinnieNET, the issuer's document custodian(s) must also submit the enrollment form. Executed EDI System Agreement and Authorized Signatories forms must be mailed to:

Ginnie Mae  
c/o The Chase Manhattan Bank  
GinnieNET Customer Service Unit  
55 Water Street, Room 506  
New York, NY 10041

If you have questions regarding this memorandum, please contact your Account Executive in the Office of Customer Service at (202) 708-1535 or the Office of Multifamily Programs at (202) 708-2043.

Attachments